

Message Text

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C O N F I D E N T I A L USUN 5029

LIMDIS

E.O. 11652: GDS

TAGS: UNCTAD, EGEN

SUBJ: CHARTER OF ECONOMIC RIGHTS AND DUTIES (CERDS)

1. SENATOR PERCY, ACCOMPANIED BY AMB. FERGUSON AND DEPUTY LEGAL ADVISER SCHWEBEL, MET WITH SYG WALDHEIM AND HIS DEPUTY EXECUTIVE ASSISTANT HENNIG NOV. 13. SENATOR PERCY STATED THAT USG WAS DISTURBED AT THE PROSPECT OF A LOOMING CONFRONTATION IN UNGA OVER CERDS. THE GROUP OF 77 SEEMED INTENT ON PUTTING TO UNGA FOR ADOPTION A DRAFT CHARTER, ELEMENTS OF WHICH WERE PROFOUNDLY UNACCEPTABLE TO USG AND OTHER GROUP B STATES. IN PARTICULAR, PROPOSED PROVISIONS ON FOREIGN INVESTMENT WERE SO UNACCEPTABLE THAT USG, FOR ITS PART, WOULD FEEL OBLIGED TO VOTE AGAINST THEM AND AGAINST CHARTER AS A WHOLE. OTHER GROUP B STATES MIGHT VOTE AGAINST OR ABSTAIN. SUCH PROVISIONS WOULD ACTUALLY DETER RATHER THAN PROMOTE FOREIGN INVESTMENT AND ECONOMIC DEVELOPMENT THIRD WORLD BADLY NEEDS. PRESIDENT FORD HAD PLEDGED TO PRESIDENT ECHEVERRIA THAT USG WOULD ENDEAVOR TO PROMOTE AGREEMENT ON THE MEXICAN-SPONSORED CERDS. BUT SENATOR PERCY COULD SAY ON BASIS OF HIS CONVERSATION WITH PRESIDENT FORD THAT THE PRESIDENT SHARED

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VIEW THAT USG WOULD HAVE TO VOTE AGAINST THE CHARTER AS A

WHOLE IF IT CONTAINED SUCH PROFOUNDLY HARMFUL PROVISIONS. IN ORDER TO AVERT SUCH A REGRETTABLE OUTCOME, AND MAKE EVERY ATTEMPT TO BRING TWO WORLDS TOGETHER RATHER THAN FURTHER WIDEN BREACH AND MISUNDERSTANDING, SENATOR PERCY ASKED WALDHEIM WHETHER UN COULD NOT ASSIGN A TOP LEVEL ABLE TROUBLESHOOTER OR MEDIATOR WHO MIGHT SUCCEED IN BRINGING THE VARIOUS SIDES TOGETHER IN AGREEMENT ON THE TERMS OF THE CHARTER.

2. WALDHEIM REPLIED THAT IF USG AND OTHER INDUSTRIALIZED STATES VOTED AGAINST CHARTER, IT WOULD BE MEANINGLESS. AT SAME TIME, UNALIGNED AND, HE GATHERED, GROUP OF 77 SEEMED IN AN INTRANSIGENT MOOD. ALL SORTS OF ISSUES, EVEN CERDS, WERE LIABLE TO BE GIVEN PARTISAN AND EVEN RACIST FLAVOR. IN NOV. 12 DEBATE ON SOUTH AFRICA, BOUTEFLIKA HAD REFUSED EVEN TO ASK FOR LET ALONE CONSIDER A LEGAL OPINION ON SUSPENSION OF SOUTH AFRICA FROM SYG'S LEGAL COUNSEL SUY, STATING BLUNTLY THAT SUY IS A BELGIAN WHOSE OPINION BOUTEFLIKA COULD PREDICT AND DID NOT WISH TO HEAR. AT SAME TIME, CERDS IS EXTREMELY IMPORTANT AND EVERY EFFORT SHOULD BE MADE TO AVOID A CONFRONTATION IF POSSIBLE. HE FAVORED THE SECRETARIAT MAKING A MEDIATORIAL EFFORT, AND STATED THAT, IF THAT EFFORT WERE TO HAVE THE CONFIDENCE OF G-77, IT WOULD HAVE TO BE LED BY SOMEONE LIKE RAOUL PREBISCH OR GAMANI CORREA.

3. AMB. FERGUSON REMARKED THAT A MEDIATOR SHOULD ALSO HAVE CONFIDENCE OF GROUP B AND ITS PRIVATE SECTOR CONSTITUENCY ON CERDS ISSUES. PREBISCH PRESENTED A PROBLEM. WALDHEIM INTERJECTED THAT, WHEN HE NOMINATED PREBISCH TO HANDLE EMERGENCY ASSISTANCE, HE DID NOT REALIZE EXISTENCE OF THAT PROBLEM. FERGUSON AGREED WITH WALDHEIM'S HIGH OPINION OF CORREA, AND NOTED HE HAD DOUBLE ADVANTAGE OF HAVING CONFIDENCE OF 77 AND ORIGINS CONGENIAL TO IT. WALDHEIM STATED THAT CORREA WOULD IMMEDIATELY BE GIVEN THIS ASSIGNMENT AND WOULD BE ASSISTED BY APPROPRIATE OFFICER FROM SECRETARIAT LEGAL OFFICE, BUT INDICATED THAT SUY SHOULD NOT OPENLY BE THAT OFFICER BECAUSE OF UNALIGNED SUSPICIONS OF HIM.

4. SENATOR PERCY SAID THAT HE HAD ASSURED MEXICANS THAT USG WOULD BE PREPARED TO PURSUE CERDS WITH KEY MEMBERS OF CONFIDENTIAL

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G-77. WALDHEIM SAID THOSE WOULD BE INDIA, ALGERIA, NIGERIA AND YUGOSLAVIA. SEN. PERCY NOTED THAT USG HAD ALREADY TAKEN STEPS TO DISCUSS PROBLEMS IN DETAIL WITH INDIAN REPS AND SAID HE WOULD FOLLOW UP WITH NIGERIANS AND HOPEFULLY WE COULD WITH OTHERS.

5. WALDHEIM STATED THAT HE WOULD PUT TO THE MEXICANS THE IDEA OF RENEWED CONSULTATIONS IN WHICH CORREA WOULD PLAY

A KIND OF MEDIATORAL ROLE. IT WAS SUBSEQUENTLY SUGGESTED
TO HENNIG THAT WALDHEIM SHOULD PROPOSE TO GOM THAT CONSULTATIONS
AMONG THE 13 STATES MEMBERS OF THE UNCTAD WORKING GROUP'S
CONTACT GROUP THAT MET IN GENEVA IN SEPTEMBER RESUME MEETINGS
IN NEW YORK, PREFERRABLY BEGINNING NOV. 25.
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